

o/1007/22

REGISTERED DESIGNS ACT 1949 (AS AMENDED)

IN THE MATTER of Registered Design Nos. 6060899, 6060900, 6060901 and 6060902 in the name of Me Ng in respect of Tyre Tool designs

and

APPLICATIONS TO INVALIDATE (Nos. 90/21, 91/21, 92/21 and 93/21) by Srikanth Reddy Duggi

DECISION

1. On 8 October 2021, Mr Srikanth Reddy Duggi, who is respondent to this appeal, applied to invalidate each of the four above numbered registered designs. He then lodged amended grounds, which were sent to the registered proprietor Mr Me Ng on 24 January 2022 by post and email.
2. In late July and early August 2022, Mr Raoul Colombo acting for the Registrar of Designs issued four decision letters, one letter in relation to each of the registrations, which are in substantially identical terms. These record that the registered proprietor had failed to file a Form DF19B and counterstatement within the 6 week period under rule 15(5) of the Registered Designs Rules 2006 (“the Rules”). He therefore inferred that the allegations in the applications for invalidity were admitted, and ordered that the registered designs were deemed to be invalid.

3. On 22 August 2022, the registered proprietor Mr Ng filed four notices of appeal (in substantially identical terms) against the decision letters to the Appointed Person.
4. The notices of appeal do not, as such, criticise these decisions. Rule 15(5) expressly empowers the Registrar to treat the proprietor as not opposing an application to invalidate where the proprietor has failed to file his counter-statement on Form DF19B within the period of time directed by the Registrar. Nor do the notices of appeal dispute that the proprietor was in default under the rules. However, they state that owing to Long Covid, the proprietor was unable to deal with his business affairs, including dealing with communications from the IPO, during the relevant period of time. They ask for the decisions to be reconsidered.
5. Upon being notified of the appeal hearing date, Mr Ng informed the Appointed Persons' Secretariat that he would be unable to attend the hearing on 6 October 2022 because he was suffering from Long Covid, and asked for the hearing to be delayed "for another few months". As I made clear in Decision O-821-21 *Diamond design*, a party cannot expect to initiate an appeal process which has the effect of extending the time during which there is uncertainty about the rights in question to the detriment of the respondent and the public at large, and then suspend the appeal process indefinitely for reasons of its own. I declined Mr Ng's request to defer the hearing date, but indicated that I would hold the hearing online in order to accommodate Mr Ng's difficulty in attending an in-person hearing.
6. The hearing of the appeals took place before me on 6 October 2022. Mr Ng appeared in person and was assisted by Ms Sarah Chan who acted as

interpreter since Mr Ng's English is limited. The respondent Mr Reddy appeared in person.

7. At the end of the hearing I announced that my decision was to dismiss the appeals, and that I would provide my full reasons in writing in due course. However, I issued a formal Order dismissing the appeals on the day of the hearing in order that the invalidation of the designs could be recorded on the register without delay. My reasons for taking that course appear below.

1. Nature of the appeals

8. The appeal process to the Appointed Person is not designed to be used as a mechanism for belated applications for an extension of time in proceedings in the Office. The purpose of the appeal process is to allow for the correction of erroneous decisions in the Office. Here, there was no error in Mr Colombo's decisions on the basis of the information known to him at the time.
9. It is possible however in exceptional cases for decisions to be reversed on appeal if additional evidence is allowed into the appeal process which demonstrates that a different decision should be arrived at, even if the original decision was unassailable on the basis of the evidence and information which was known to the hearing officer. I am therefore prepared to treat Mr Ng's notices of appeal as in effect applications to admit on appeal additional evidence about his Long Covid and consequent difficulties, and as inviting me to reconsider the decisions under rule 15(5) in the light of that evidence.

10. It seems to me that there is an analogy with an application to set aside a default judgment in civil proceedings in court. In that context, a distinction is drawn between cases where an irregular default judgment has been obtained - for example, where notice of the proceedings was served on the wrong address or not served at all - and a case where the judgment was regularly obtained but the defendant for some reason missed out on being able to defend the case on the merits. In the latter kind of case, the defendant normally needs to demonstrate "*a real prospect of successfully defending the claim*"¹ as well as explaining why it was not at fault in failing to defend the action in due time.
11. Allowing these appeals would result in the invalidity proceedings in the Office resuming at the point where they left off - i.e. at the point when the proprietor's counterstatement was due to be served. This would inevitably result in a number of months passing before the invalidity proceedings could be concluded in the Office, after which there could be an appeal on the merits of the decision leading to more time passing before the validity of these designs would be finally decided.
12. Mr Reddy's grounds of invalidity explain that he is an online seller of products on eBay and Amazon. In February 2021, one of his products, a tyre puncture repair kit, was removed from eBay because of a complaint of design right infringement by Mr Ng. Apparently, Mr Ng's complaint did not specify the registered design number or numbers concerned. Mr Reddy altered the design of his product and re-listed on eBay, but Mr Ng made a further complaint in September 2021, again without providing information about the registered design numbers. As a result, Mr Reddy

1. See e.g. CPR 13.3(1)(a).

conducted a name search on the designs register and identified the four above designs in the name of Mr Ng, and lodged his applications to invalidate them.

13. Mr Reddy also informed me in the course of the hearing that Mr Ng had made a yet further complaint to eBay in August 2022, by which time he would have been aware of Mr Colombo's orders invalidating the designs.
14. These specific incidents provide graphic reinforcement to something which is anyway obvious. Delays in finally resolving invalidation proceedings can cause serious commercial damage to competitors, as well as damaging the public by depriving them of competing products. Delays also confer an unearned advantage on the rights owner if the rights concerned are indeed invalid. It is therefore right for me to subject to careful examination both the proprietor's reasons for not defending the proceedings within the timetable laid down under the Rules, and whether he has a real prospect of successfully defending the invalidation claim.

2. The proprietor's health reasons for failing to defend

15. Mr Ng in his notices of appeal says that he became infected with Long Covid in November 2021 as a result of which he lost the ability to care for himself and moved into his sister's house where he could be cared for from November 2021, until July 2022 when he returned to his own home. During this time he was unable to manage his business or deal with correspondence. When he moved back into his own home in July 2022 he realised that he had received letters from the Intellectual Property Office but was too late to respond to them before Mr Colombo's decision letters were issued.

16. At the hearing Mr Reddy suggested, based on a search he had conducted, that the proprietor's address on the register was the address of a business and not of a home. He therefore queried Mr Ng's account of having moved out of his home. Mr Ng responded that the address was that of a building in which there was a business on the ground floor and flats above, including his flat. If so, it is slightly odd that the address just has the number of the building and does not include a suffix such as a flat number. However, this is not a matter on which I can place any weight since the point was not raised in advance of the hearing nor supported by evidence, meaning that Mr Ng did not have an opportunity to address the point properly.
17. Mr Reddy also questioned why Mr Ng had produced no documents of any kind to support his account of having suffered a very serious and prolonged illness. There is no doctor's note, nor Covid test results, treatment or appointment records whether on paper or email. Mr Ng suggested in the course of the hearing that he had been calling 911 and tried to arrange appointments with doctors but was told that he should stay at home and rest because there was nothing to be done. Mr Reddy suggested that it was unlikely that someone suffering from breathing difficulties or severe Covid after-effects would not be seen and if necessary admitted to hospital.
18. During the last couple of years, suffering from Covid exposure or infection, or suffering from longer term after-effects, have been reasons given by many people to excuse them from work or other obligations. A culture has grown up in which Covid-related reasons are seldom questioned. Such reasons are genuine in very many cases, but regrettably

in some cases they are not. The onus is on Mr Ng positively to demonstrate the genuineness of the health reasons which he advances. In my judgement his assertion, unsupported by any documents or any independent evidence of any kind, is insufficient to do so.

19. Further, even if his account of his health problems were accepted as proven and accurate, I do not consider that this constitutes sufficient reason for the consequences of not responding to the letters and emails from the IPO not to apply. Patent or trade mark attorneys often act for proprietors as an address for service on the register. Proprietors of registered designs are not obliged to engage professional agents to act for them, but in this case the proprietor neither appointed a professional nor took any other steps to arrange for anyone else to act for him in the event of him becoming unable to deal with correspondence from the IPO regarding his registrations.
20. The question is not whether the proprietor was or was not morally at fault. The question is whether the consequences of Mr Ng not having dealt with this matter or made other arrangements should fall upon Mr Ng, or instead fall upon the innocent respondent and the public generally by way of a potentially lengthy extension of the time before the validity of these monopoly rights could be decided. Mr Ng had effectively asserted these monopoly rights on at least two occasions in 2021 and it was objectively foreseeable that his complaints about the respondent's products would be disputed, leading potentially to a validity dispute.
21. In these circumstances in my judgement it is right that the consequences of the proprietor not having made arrangements for dealing with communications from the IPO should fall upon the proprietor and not

upon third parties. It therefore would not be right to allow Mr Ng to re-open the default decisions against the validity of the registrations.

3. Merits of the defence to invalidity

22. The representations of the four registered designs are as follows:



6060899



6060900



6060901



6060902

The description of each design is “tyre repair tools”. Each design also has a second representation but these add little, simply being photographs of the same objects from the reverse side.

23. Each of the designs consists of a set of two tyre repair tools. As I held in Decision O-374-21 *Castor Wheel Sets*, groups of two or more physically separate items are capable of being registered within a single registration as a single ‘product’ where those items are not merely sold together but

also stay together for the normal life of the product. From the materials I have seen on this appeal, it does appear that this pair of tools will be sold together, kept together and used together as part of a tyre repair kit, although such kits may contain other tools and consumable items as well.

24. In these registrations, the colours of the handles (black and red) have not been excluded and so form part of the features of the designs as registered. It is possible that the features of shape and appearance of the metallic tool portions do not form part of the designs as registered because their shape and the use of the metallic material (presumably steel) is dictated by their technical functions without involving any considerations of appearance. However I do not have any evidence directed to this issue and so do not base my decision on it.
25. The Respondent challenged the validity of all four registrations as lacking novelty or individual character in the light of prior art. He produced a single set of prior art documents which was duplicated in all four cases.
26. This consists first of a product which the Respondent says that he himself sold before the application date of the designs in issue (17 May 2019). Secondly, he produces a set of Amazon listings of third party products with "First Available" dates before the application date. In previous cases, both hearing officers and I have accepted Amazon and similar listings printed off after the application date as prima facie evidence of what the design of the product would have looked like when first made available before the application date. Such prima facie evidence is capable of being rebutted by positive evidence that the product was in fact materially different in appearance before the application date, such as from the

'Wayback Machine' at www.archive.org.²

27. The proprietor Mr Ng produced no contradictory evidence in the Office for reasons already explained, nor did he seek to support his notices of appeal with any evidence or submissions on the merits of validity. However on the day before the hearing at the time directed for lodging skeleton arguments, Mr Ng lodged substantive evidence on invalidity which made serious allegations of forgery and falsification of dates against Mr Reddy in his compilation of prior art documents.
28. Before I could place any weight on this evidence, Mr Reddy would have been entitled to be heard on the procedural question of whether such evidence should be admitted into the appeal at all. Also, if it were admitted, he would have been entitled to an adequate opportunity to respond to that evidence with evidence and submissions of his own. That would have entailed significant delay to the resolution of the appeal and probably a further hearing.
29. However I did not find Mr Ng's evidence at all persuasive and therefore did not need to trouble Mr Reddy to respond to it. Mr Ng first of all says that the Respondent was simply one of many resellers who do not own the copyright in what they are reselling or even know who the designer is, and therefore what they have sold "*is not relevant to this copyright issue*". He goes on to say that he is was the designer of the products subject of the four registrations, and produces photographs of the injection moulds of the handle portions of the tools at his manufacturing partner.

2. See in this regard Decision O-374-21 *Castor Wheel Sets*, at paragraphs 57 to 63.

30. This evidence seems to be based on a misconception about the nature of the legal rights involved. This is not a copyright case. Both validity and infringement of registered designs are governed by objective comparisons, and who copied or did not copy from whom is irrelevant.³ Nor is the fact that the proprietor designed and made his own moulds relevant, if the product of those moulds as shown in the design registration is sufficiently similar to prior art that it lacks novelty or distinctive character.
31. Secondly, Mr Ng's evidence seeks to demonstrate that it would have been possible for Mr Reddy to falsify his evidence about sales of his own products. This included screenshots of the file modification dates of jpeg pictures of those products. Mr Ng's evidence also says that it would have been possible for the pictures of products attached to the third party Amazon listings to have been changed to show different products from those sold before the application date.
32. However, evidence that it would have been technically possible for Mr Reddy to falsify his evidence if he had chosen to do so is not the same as evidence that he in fact did so. It is an extremely serious allegation which requires much more support than a suggestion that it would have been technically possible. There is nothing implausible or inconsistent in Mr Reddy's account of his own sales of products or in the documents he produces.
33. As to the third party Amazon listings, I fail to see any credible basis as to

3. Except perhaps in the limited case where an item of prior art disclosed during the grace period is alleged to have been copied from the design right owner's own product put on the market earlier in the grace period.

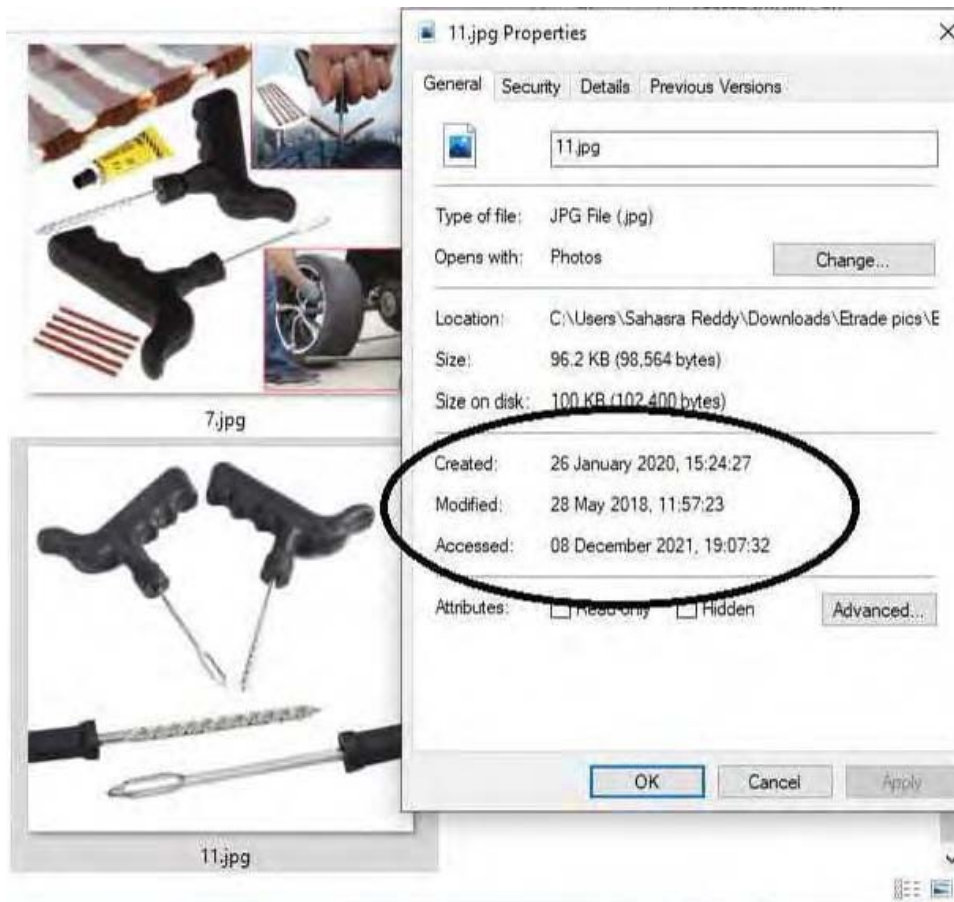
why the owners of these various listings should have engaged in falsification on the lines suggested.

34. Accordingly I consider that Mr Ng's late filed evidence would not have a material effect on the outcome of the appeal if admitted, and I formally refuse to admit it.
35. I will now revert to consider Mr Reddy's bundle of prior art documents. I need only consider the prior art products which appear to be the ones closest to each of the registered designs.
36. Mr Reddy says that he sold a tyre puncture repair kit from May 2018 onwards. This was the same kit which was the subject of Mr Ng's complaint to eBay in February 2021. Mr Reddy produces photographs, 11.jpg (modification date 28 May 2018⁴), and 12.jpg (modification date 28 November 2018), which show inter alia the two tools corresponding to the pair of tools shown in Mr Ng's design registrations. To my eye, there is no discernible difference between the tools shown in these prior art pictures and the tools in Mr Ng's '901 registration.

4. The file creation date is later, 26 January 2020, but Mr Reddy explained that the file was copied onto a different laptop at this date. This is consistent with the normal behaviour of Windows systems: creating a new copy of an existing file will result in

the creation date being the date of copying but the copied file will retain the “modified” date of the original file.

11.jpg and its file properties



37. As well as his own product, Mr Reddy has produced evidence of third party Amazon listings. One is for a “Tyre Doctor Basic Tubeless Tyre Puncture Repair Kit with 5 Strips” with a ‘first available’ date of 2 February 2018. This kit contains tools with black handles which are as far as I can tell identical to the handles in registration ‘899. (Note that the handle shape is slightly different from that in ‘901, and the same as that in ‘900 and ‘902). The metallic part of the eyelet tool appears identical as far as I can tell, but the metal part of the spike tool appears to be screw-threaded rather than knurled in the ‘901 representation. That difference is visually minor and is insufficient to create a different overall impression of the pair of tools.

38. Mr Reddy has produced evidence of an Amazon listing for a “Car Van Tubeless Tyre Puncture Kit With 10 Strips Tyre Plug Kit” with a first available date of 31 May 2014. This kit contains two red-handled tools and I can see no discernible difference between them and the ‘902 registration.
39. Finally, Mr Reddy has produced an Amazon listing “Tyre Doctor Tyre Puncture Repair Kit With 25 Strings” with ‘first available’ date of 24 Dec 2016. This contains two red handled tools. The only discernible difference between them and the ‘900 registration would appear to be that the spike of the non-eyelet tools appears somewhat longer in proportion to the handle size. This difference is not sufficient to change the overall appearance of the pair of tools, even assuming that it is not to be wholly disregarded as resulting from purely functional considerations.
40. I consider that the informed user of these registered designs would be either a knowledgeable amateur car or trailer owner used to carrying out tyre and other repairs, or a tyre repair professional. I cannot see that it would make any difference if one were to select one or the other. There is no evidence of the full design corpus of these kinds of tyre repair tools, but the differences between the prior art and two of the designs which I have identified above are so minor that fuller information about the design would not affect the conclusion that the prior art gives the same overall impression as the registered designs.
41. Accordingly the evidence shows that the ‘899 and ‘902 designs are invalid as lacking novelty, and the ‘900 and ‘901 designs lack individual character, and all four designs are invalid under subsection 11ZA(1A) of the Registered Designs Act 1949 as amended. I conclude that the Appellant has not demonstrated that he has a real prospect of

successfully defending the application for invalidity were he allowed to do so. On the contrary on the materials available to me his defence against invalidation appears to be wholly devoid of merit.

4. The wider problem - abuse of design registrations

42. This is not the first appeal in which I have dealt with design registrations which are identical or near identical to prior art products sold on Amazon or other online market places. Indeed in Decison O-935-21 *Treasure Chests*, some of the designs contained representations which were photographs identical to those in prior art Amazon listings. It was not possible to tell from the limited evidence in that case whether the applicant for registration had simply downloaded and submitted to the IPO photographs from someone else's Amazon listings, or had applied to register products of his own well after the expiry of the grace period.
43. That and the present case illustrate the ease with which plainly invalid registrations can be obtained, and can then be used to inflict serious commercial damage on competitors, including competitors who have been established in selling identical products before the date of application for registration. Online market places understandably do not have the time, resources or expertise to form judgments on the validity of registered rights, leaving it to the injured party to seek redress either in the courts or through an invalidation application to the IPO.
44. Unfortunately it does not appear that there is a viable form of financial redress against the design owner, who gets a similar effect to that of an interim injunction but without having to put up a cross undertaking in damages. In some circumstances the injured competitor might have a

claim for unjustified threats, but it seems open to question whether a “take down” notice to an online market place amounts to an actionable threat, and such a claim will be wholly excluded where the injured competitor is a manufacturer or importer of the product in question.

45. The underlying cause of these problems would appear to be the abandonment of substantive examination. This saves time and money for applicants but regrettably at the expense of their competitors and the general public who are left to suffer from the assertion of invalid registered design rights. Substantive examination in the UK was abandoned because it was possible to by-pass it by obtaining a Community registered design covering the UK via the EUIPO, which did not conduct substantive examination. It is now time to re-examine the question of reintroducing substantive examination before grant, or possibly introducing the hybrid Australian system where registered designs need not be examined before grant but must be submitted for examination before they can be enforced.⁵

46. In the absence of such a legislative change, it seems to me that both the Office, and the Appointed Person if there is an appeal, should if possible take steps to speed up the hearing of cases where a registered design is being used to block online trading, so that they do not follow the normal quite leisurely path of most invalidation proceedings. This appeal was allocated to me on 8 September 2022. I held the hearing on 6 October 2022 and announced my decision orally and issued a formal order on that day,

5. Designs Act 2003 (Cth), section 63. Under the Australian system, a person other than the proprietor may also request the examination of a registered design, and if it fails that examination it will be revoked.

because I considered the case to be clear-cut and because I did not want a further delay during which these invalid registered designs could continue to be asserted.

47. After the hearing, I received a communication from the Respondent which complained that the registered proprietor had acted in contempt of my decision. The Respondent received a notice from eBay dated 8 October 2022 again restricting his account because Mr Ng had again made a complaint alleging that the Respondent's product infringed Mr Ng's design rights. From an email exchange between him and Mr Ng, it appears that Mr Ng made that further complaint to eBay after the hearing, despite having heard my oral decision dismissing his appeals. Mr Ng asserts in his email of 8 October 2022 that he has "*already applied to the High Court to appeal the decision of the appointed person*". There is no statutory further appeal from a decision of an Appointed Person, a fact of which I informed Mr Ng when he inquired at the end of the hearing. The Appellant appealed to an Appointed Person rather than to the High Court. A consequence of that choice is that no further appeal is possible.
48. Whatever view I might take of Mr Ng's actions after the hearing, an Appointed Person is not a court of law and my powers are strictly limited to dealing with the issue of the validity of the designs. In particular, I do not have powers to deal with alleged contempts nor the power a court might have to grant injunctions against the abusive enforcement or assertion of purported rights which have been revoked. Mr Reddy would need to pursue any remedies he might have in court.

Martin Howe KC
Appointed Person (Designs Appeals)
8 November 2022